

## Sumitomo Mitsui Banking Corporation (SMBC)

### Consolidated Financial Results for the First Half of Fiscal 2001 ended September 30, 2001

Head Office : 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan  
Date of Approval by the Board of Directors : November 26, 2001  
Stock Exchange Listings : Tokyo, Osaka, Nagoya, Sapporo and London

#### 1. Performance (for the First Half of Fiscal 2001 ended September 30, 2001)

(1) Financial Results Amounts for September 2000 and March 2001 are the sum of those of the Sakura Bank and the Sumitomo Bank.  
Amounts less than one million have been omitted.

	Operating Income		Operating Profit		Net Income		Net Income per Share	Net Income per Share (Diluted)
	¥ million	%	¥ million	%	¥ million	%	¥	¥
Six Months ended September 2001	1,801,802	(17.2)	114,450	(68.9)	34,196	(68.1)	6.02	6.01
ended September 2000	2,175,648	(3.2)	368,336	68.4	107,183	13.7	Sakura 6.26 Sumitomo 23.64	Sakura 6.25 Sumitomo 23.04
Fiscal Year ended March 2001	4,449,177		494,617		132,408		Sakura 9.23 Sumitomo 25.50	Sakura 9.21 Sumitomo 24.93

Notes: 1. Net income / (loss) from unconsolidated entities accounted for by the equity method

(a) Six months ended September 2001 : (364) million yen

(b) Six months ended September 2000 : 24,118 million yen

(c) Fiscal year ended March 2001 : 44,362 million yen

2. Average number of shares outstanding (consolidated)

for the six months ended September 30, 2001: 5,676,904,554

for the six months ended September 30, 2000: (Sakura) 4,116,000,955 (Sumitomo) 3,134,777,963

for the fiscal year ended March 31, 2001 : (Sakura) 4,112,540,880 (Sumitomo) 3,134,457,110

3. There is no change in accounting methods.

4. Percent (%) of Operating Income, Operating Profit and Net Income means the ratio of increase / (decrease) from previous year.

#### (2) Financial Position

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share	Capital Ratio (BIS Guidelines)
	¥ million	¥ million	%	¥	%
September 2001	107,502,027	3,352,163	3.1	359.97	(Preliminary) 10.79
September 2000	107,323,132	3,996,941	3.7	Sakura 335.35 Sumitomo 418.59	Sakura 12.30 Sumitomo 11.32
March 2001	119,242,661	4,012,960	3.4	Sakura 333.46 Sumitomo 426.32	Sakura 11.31 Sumitomo 10.94

Note: Number of shares outstanding (consolidated)

as of September 30, 2001: 5,698,145,909

as of September 30, 2000: (Sakura) 4,110,499,911 (Sumitomo) 3,134,777,057

as of March 31, 2001 : (Sakura) 4,110,377,885 (Sumitomo) 3,134,457,110

#### (3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at term-end
	¥ million	¥ million	¥ million	¥ million
Six Months ended September 2001	(5,698,288)	5,509,649	(88,511)	1,764,049
ended September 2000	(1,619,893)	1,013,224	(183,593)	1,940,690
Fiscal Year ended March 2001	6,776,178	(6,973,889)	(523,666)	2,015,501

#### (4) Scope of Consolidation and Application of the Equity Method

(a) Number of consolidated subsidiaries : 155

(b) Number of unconsolidated subsidiaries accounted for by the equity method: 5

(c) Number of affiliated companies accounted for by the equity method : 35

#### (5) Changes of Scope of Consolidation and Application of the Equity Method

Consolidation:	Newly consolidated	75	Equity method:	Newly applied	12
	Excluded	4		Excluded	1

#### 2. Performance Forecast (for Fiscal 2001 ending March 31, 2002)

(Millions of yen)

	Operating Income	Operating Loss	Net Loss
Fiscal Year ending March 2002	3,700,000	70,000	150,000

(Reference) Forecasted net loss per share for Fiscal 2001 is 28.87 yen.

## I. Overview of SMBC

Sumitomo Mitsui Banking Corporation (SMBC) Group provides mainly banking service, and other financial services in the fields of leasing business, securities business, credit card business, investment banking, loan business, factoring business and venture capital etc. The Group is composed of Sumitomo Mitsui Banking Corporation and its 155 consolidated subsidiaries and 40 affiliates accounted for by the equity method at September 30, 2001.

<b>Sumitomo Mitsui Banking Corporation</b>	Banking Business	<p>603 domestic branches and 21 overseas branches</p> <p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> <li>* THE MINATO BANK, LTD. (Listed on the First Section of Tokyo Stock Exchange and Osaka Securities Exchange)</li> <li>* The Bank of Kansai, Ltd. (Listed on the First Section of Osaka Securities Exchange)</li> <li>* THE WAKASHIO BANK, LTD</li> <li>* The Japan Net Bank, Limited (Commercial banking via internet)</li> <li>* Sakura Guarantee Co., Ltd. (Credit guarantee)</li> <li>* SUMIGIN GUARANTEE COMPANY, LIMITED (Credit guarantee)</li> </ul> <p>Overseas</p> <ul style="list-style-type: none"> <li>* Manufactures Bank</li> <li>* Sumitomo Mitsui Banking Corporation of Canada [Sakura Bank (Canada), The Sumitomo Bank of Canada]</li> <li>* Banco Sumitomo Mitsui Brasileiro S.A. [Banco Sumitomo Brasileiro S.A.]</li> <li>* PT Bank Sumitomo Mitsui Indonesia [PT Bank Sumitomo Indonesia, P.T. Bank Sakura Swadharma]</li> </ul>
	Leasing	<p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> <li>* SMBC Leasing Company, Limited [SB Leasing Company, Limited]</li> </ul> <p>Overseas</p> <ul style="list-style-type: none"> <li>* SMBC Leasing and Finance, Inc. [Sumitomo Bank Leasing and Finance, Inc., Sakura Business Finance Inc.]</li> </ul>
	Other	<p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> <li>* Sumitomo Mitsui Card Company, Limited (Credit card services) [The Sumitomo Credit Service Company, Limited]</li> <li>* SAKURA CARD CO., Ltd. (Credit card services)</li> <li>* At-Loan Co., Ltd. (Loans) [Sakura Loan Partner, Limited]</li> <li>* SMBC Capital Co., Ltd. (Venture capital) [SB Investment Co., Ltd., Sakura Capital Co., Ltd.]</li> <li>* SMBC Consulting Co., Ltd. (Management consulting) [Sakura Institute of Research Inc., The JRI Business Consulting, Limited]</li> <li>* SMBC Factors Co., Ltd. (Factoring) [Sakura Factors Co., Ltd.]</li> <li>* SMBC Finance Co., Ltd. (Mortgage securities, factoring and loans) [Sumigin General Finance Company, Limited]</li> <li>* Mitsui Finance Service Co., Ltd. (Collecting agent and factoring)</li> <li>* Sakura Friend Securities Co., Ltd. (Securities) (Listed on the First Section of Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange)</li> <li>* SAKURA INVESTMENT MANAGEMENT CO., LTD. (Investment advisory and investment trust management)</li> <li>* The Japan Research Institute, Limited (Economic research, system engineering, data processing and management consulting)</li> <li>* Sakura KCS Corporation (System engineering and data processing) (Listed on the Second Section of Osaka Securities Exchange)</li> <li>* Sakura Information Systems Co., Ltd. (System engineering and data processing)</li> <li>** Daiwa Securities SMBC Co. Ltd. (Wholesale securities) [Daiwa Securities SB Capital Markets Co. Ltd.]</li> <li>** Meiko National Securities Co., Ltd. (Securities) (Listed on the First Section of Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange)</li> <li>** DLJ direct SFG Securities Inc. (Securities via internet)</li> <li>** Daiwa SB Investments Ltd. (Investment advisory and investment trust)</li> <li>** Japan Pension Navigator Co., Ltd. (Operation and administration of defined contribution pension plans)</li> <li>** QUOQ Inc. (Purchase of monetary assets and credit guarantee)</li> </ul> <p>Overseas</p> <ul style="list-style-type: none"> <li>* SMBC Capital Markets, Inc. (Investments and derivatives) [Sumitomo Bank Capital Markets, Inc., Sakura Global Capital, Inc.]</li> <li>* SMBC Capital Markets Limited (Derivatives) [SBCM Limited]</li> <li>* Sumitomo Mitsui Finance Australia Limited (Finance) [Sumitomo International Finance Australia Limited]</li> </ul>

(\* ) means a consolidated subsidiary and (\*\* ) means an affiliated company accounted for by the equity method.

As for the companies whose company names were changed or which merged after April 1, 2001, their former names are shown in square brackets.

## **II. Principles of Management**

### 1. Basic Principles of Management

The Bank's basic management principles are as follows:

- To provide higher value-added services to our customers and together with them achieve growth.
- To create sustainable shareholder value through business growth.
- To provide a challenging and professionally rewarding work environment for our dedicated employees.

Under these principles, the Bank will endeavor to meet customer and market expectations and its economic and social responsibilities in order to acquire solid customer credibility and market credibility.

### 2. Dividend Policy

With respect to the interest of shareholders, the Bank subscribes to a fundamental policy of conducting appropriate dividends, with certain outlook for enriching capital and preserving sound management basis.

### 3. Management Strategy

The business environment has changed remarkably for banks in recent years with the implementation of various regulatory reforms, the globalization of the financial sector and other parts of the economy, and the changes in the structure of industry and society. In order to achieve further growth by capturing various business chances amid these environmental changes, the Bank will concentrate on the following courses of action:

- (1) Improving profitability in consumer banking through refined customer segmentation, increased sales of profitable products and services, and a lower cost structure.
- (2) Achieving higher asset efficiency in the transactions with domestic and overseas corporations.
- (3) Renewed initiatives in international banking business based on a selective regional focus and targeted strategies.
- (4) Strategic investment in IT in order to heighten competitiveness in database marketing and providing network platforms to serve small and medium-sized corporate customers.
- (5) Establishing a leading position in Internet-related financial business.

### 4. Issues to be Addressed

During the first half of this fiscal year, the Japanese economy remained stagnant, as reflected in sluggish consumer spending and a materializing trend of decreasing exports and capital investment, with the downward tendency of the global economy gradually becoming apparent. In response to these economic circumstances, the Bank of Japan has repeatedly taken further steps to ease the money supply, and both short- and long-term interest rates have been at low levels. Though the stock market moved upward at the beginning of this fiscal year, it has continued to decline since then amid the concern about the deterioration of corporate earnings.

Concern about the Japanese economy has been spurring amid the uncertainty over the world economy, especially since the terrorist attacks in the United States. Moreover, the business environment surrounding the banking industry will continue to be unfavorable.

In light of such an economic and industrial environment, the Bank has already begun taking steps to further

strengthen its profitability and reduce costs in pursuit of early realization of merger synergy, and to realize more synergy than we had originally expected. In order to reinforce its profitability, the Bank has been adopting truly customer-oriented business models to seize the business opportunities arising from the expansion of its customer base by the merger—a base which is one of the broadest among Japanese banks. Meanwhile, the Bank formulated intensive cost reduction plans and began implementing them at a company-wide level immediately after the merger without being bound by conventional ideas and without having any sanctuaries. In order to construct a solid financial position, the Bank will accelerate the workout of problem assets and the reduction of its shareholdings. The Bank has been keen to continue to make every effort to create shareholder value under the recognition that the merger is merely a first step to strengthen its true competitiveness.

#### 5. Financial Targets

The Bank aims to achieve banking profit (excluding transfer to general reserve) of 950.0 billion yen and consolidated ROE of more than 10% in FY2004 through business restructuring and strengthening of earning power. The Bank intends to pay back half of the public funds by FY2004, and will strive to accelerate the repayment of the rest as much as possible.

#### 6. Pursuit of Enlightened Corporate Governance

The Bank has two principal institutions for corporate governance: the Board of Directors and Executive Officers. This system aims to clearly divide the responsibility for policy implementation and the responsibility for providing strategic direction and oversight for the Bank's operations.

The role of the Board of Directors to supervise the Bank's operation from the viewpoint of the interest of shareholders has come to be more emphasized than before, and the day-to-day running of the Bank is in the Executive Officers' charge. In addition, the Risk Management Committee, Compensation Committee, and Nominating Committee have been constituted from within the Board of Directors. These committees include outside directors and have been established in order to deliberate from a broad and objective perspective matters such as risk management, compliance, and compensation and personnel affairs of members of the Board of Directors and Executive Officers

To supplement the functions of the Board of Directors, the Bank has the Advisory Board consisting of members such as top executives of blue-chip companies, leading management consultants, and academics, to provide wide-ranging and unhindered management advice.

### **III. Performance**

(Notes) Amounts for the six months ended September 30, 2000 and the fiscal year ended March 31, 2001 are sum of those of the Sakura Bank and the Sumitomo Bank.

#### 1. Overview of Consolidated Performance for the First Half of Fiscal 2001 Ended September 30, 2001

##### (1) Profit and Loss

For the first half of this fiscal year, the Bank has aimed to early realize the much benefits of merger synergies more than expected at the beginning and endeavored to strengthen its profitability and pare down expenses thorough business restructuring.

Operating income becomes to 1,801.8 billion yen (down 17.2% from the six months ended September 30, 2000) and Operating expense becomes to 1,687.3 billion yen (down 6.6%) mainly due to decrease of interest income/expenses,

decrease of gains on sale of stocks and the drastic disposal of non-performing loans.

Consequently, Operating profit becomes to 114.4 billion yen (down 68.9%) and Net income (after adjusting Extraordinary profits/losses) becomes to 34.1 billion yen (down 68.1%).

(2) Assets and Liabilities

Deposits become 60,533.1 billion yen (down 2,515.8 billion yen from the fiscal year ended March 31, 2001) and Negotiable certificates of deposit become 11,291.8 billion yen (down 355.0 billion yen).

Loans and bills discounted become 64,727.6 billion yen (down 809.4 billion yen).

Total assets become 107,502.0 billion yen (down 11,740.6 billion yen).

(3) Stockholders' Equity

*Other securities* and other money held in trust that have market value are carried at market value and net unrealized losses on *other securities* of 394.8 billion yen are newly recognized on Stockholders' equity from this fiscal year. Consequently, Stockholders' equity becomes to 3,352.1 billion yen.

(4) Cash Flows

Cash flows from operating activities become minus 5,698.2 billion yen, Cash flows from investing activities become plus 5,509.6 billion yen and Cash flows from financing activities become minus 88.5 billion yen.

Consequently, Cash and cash equivalents as of September 30, 2001 become to 1,764.0 billion yen.

(5) Segments

As for business segments, the share of operating income before elimination of internal transactions becomes 70% for banking business, 14% for leasing business, and 16% for other business.

As for geographic segments, the share of operating income before elimination of internal transactions becomes 72% (down 3 points from the six months ended September 30, 2000) for Japan, 12% (down 1 point) for the Americas, 8% (up 3 points) for Europe, and 8% (up 1 point) for Asia and Oceania.

(6) Capital Ratio (BIS Guideline) (preliminary)

Capital ratio becomes 10.79% on consolidated basis, and 11.53% on nonconsolidated basis.

2. Performance Forecast for Fiscal 2001 Ending March 31, 2002

(1) Performance Forecast

Through the fiscal 2001, the Bank will aim to enhance its profitability by efficient management of assets and liabilities in domestic and international market and by restructuring of every aspect of business, and take comprehensive action for resolution of problem assets, aiming to ensure clear recovery in its earnings for the following years.

As for performance forecast on consolidated basis, operating income, operating loss and net loss is projected to be 3,700 billion yen, 700 billion yen, and 150 billion yen, respectively. On nonconsolidated basis, operating income, operating loss and net loss is projected to be 2,700 billion yen, 450 billion yen, and 550 billion yen, respectively.

(2) Forecast of Dividends

The Bank decided to suspend the interim dividends and pay annual cash dividends on both common stock and preferred stock in the lump at year end as for this fiscal year because outlook of stock market is unstable and net unrealized gains (losses) on *other securities* that are valued at market value are recognized, net of applicable income taxes, as a separate component of stockholders' equity from this fiscal year.

The Bank will pay the year-end dividend by strengthening the tolerance for the stock volatility risk and reinforcing its retained earnings thorough disposition of premises.

As for annual dividend, dividend on common stock, preferred stock (first series type 1), preferred stock (second series type 1) and preferred stock (type 5) per share are 6.00 yen, 10.50 yen, 28.50 yen and 13.70 yen, respectively, as announced at the beginning of this fiscal year.

## **IV. Consolidated Financial Statements**

### Principles of Consolidation

#### 1. Scope of consolidation

##### (1) Consolidated subsidiaries 155 companies

###### Principal companies

THE MINATO BANK, LTD.  
The Bank of Kansai, Ltd.  
Manufacturers Bank  
SMBC Leasing Company, Limited  
Sumitomo Mitsui Card Company, Limited  
SMBC Capital Co., Ltd.  
SMBC Finance Co., Ltd.  
Sakura Friend Securities Co., Ltd.  
The Japan Research Institute, Limited  
SMBC Capital Markets, Inc.

Seventy-three companies such as THE MINATO BANK, LTD. and two companies including Sansei Guarantee Co., Ltd. are consolidated from this fiscal year, due to merger with The Sakura Bank, Limited and acquirement of shares, respectively. Four companies such as Izumi Center Service Co., Ltd. are excluded from consolidation due to liquidation from this fiscal year.

##### (2) Nonconsolidated subsidiaries

###### Principal company

SBCS Co., Ltd.

107 subsidiaries such as S.B.L. Management Company Limited are anonymous partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, based on the Article 5 Paragraph 1 Item 2 of Consolidated Interim Financial Statements Regulation, they were not treated as consolidated subsidiaries. Assets, income, net income and surplus of other nonconsolidated subsidiaries have no significant impact on the consolidated financial statements.

#### 2. Application of the equity method

##### (1) Nonconsolidated subsidiaries accounted for by the equity method 5 companies

###### Principal company

SBCS Co., Ltd.

Five companies such as SBCS Co., Ltd. are newly included in subsidiaries accounted for by the equity method due to merger with The Sakura Bank, Limited.

##### (2) Affiliates accounted for by the equity method 35 companies

###### Principal companies

Daiwa Securities SMBC Co. Ltd.  
QUOQ Inc.

Two companies such as Sony Bank Inc. and five companies such as Bangkok SMBC Leasing Co., Ltd. are newly included in affiliates accounted for by the equity method from this fiscal year, due to acquirement of shares and merger with The Sakura Bank, Limited, respectively.

Daiwa Securities SMBC Capital Markets Europe Investment Services (Jersey) Ltd. (former name: Daiwa Securities SB Capital Markets Europe Investment Services (Jersey) Ltd.) that was accounted for by the equity method is excluded from affiliates accounted for by the equity method due to liquidation.

(3) Nonconsolidated subsidiaries and affiliates that are not accounted for by the equity method

107 subsidiaries such as S.B.L.Management are anonymous partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, based on the Article 7 Paragraph 1 Item 2 of Consolidated Interim Financial Statements Regulation, they were not treated as affiliates accounted for by the equity method. Net income and surplus of other non-consolidated subsidiaries and affiliates which are not accounted for by the equity method have no significant impact on the consolidated financial statements.

3. The interim balance sheet dates of consolidated subsidiaries

(1) The dates of interim account closing of consolidated subsidiaries are as follows:

March 31	5	companies
April 30	1	Company
June 30	60	companies
July 31	1	Company
September 30	88	companies

(2) As for the companies whose interim balance sheet dates are March 31 and April 30, the account closing was done provisionally as of September 30 and July 31 for consolidation, respectively. The other companies are consolidated on the basis of their respective interim balance sheet date.

Appropriate adjustment was made for any significant transactions during the periods from their respective interim balance sheet dates.

4. Accounting policies

Please refer to the Notes to Consolidated Balance Sheet and Consolidated Statement of Income.

5. Scope of 'Cash and cash equivalents' on Consolidated Statements of Cash Flows

Please refer to the Notes to Consolidated Statement of Cash Flows.

(reference)

- Net Income per Share :

$$\frac{\text{Net income} - \text{Preferred share dividends}}{\text{Weighted average number of common shares outstanding during the first half of FY2001}}$$

- Stockholders' Equity per Share :

$$\frac{\text{Stockholders' equity at mid term end} - \text{Number of preferred share outstanding at mid term end} \times \text{Issue price}}{\text{Number of common shares outstanding at mid term end}}$$

- Forecasted Net Income per Share :

$$\frac{\text{Forecasted net income} - \text{Forecasted preferred share dividends}}{\text{Number of common shares outstanding at mid term end}}$$

(Notes)

1. As for the average number of shares outstanding and the number of shares as of the term (year)-end, Treasury stock and the Bank's stock held by consolidated subsidiaries are excluded.
2. As for the average number of shares outstanding and the number of shares as of the term (year)-end, see 'Nonconsolidated Financial Results for the First Half of Fiscal 2001 ended September 30, 2001.'

## CONSOLIDATED BALANCE SHEET

September 30, 2001	(Millions of yen)
<b>Assets:</b>	
Cash and due from banks	5,736,255
Call loans and bills bought	425,289
Receivables under resale agreements	981,216
Commercial paper and other debt purchased	330,214
Trading assets	3,225,015
Money held in trust	63,622
Securities	20,511,560
Loans and bills discounted	64,727,609
Foreign exchanges	644,896
Other assets	4,362,508
Premises and equipment	1,414,607
Lease assets	939,746
Deferred tax assets	1,696,347
Goodwill	5,446
Customers' liabilities for acceptances and guarantees	3,601,158
Reserve for possible loan losses	(1,163,469)
<b>Total assets</b>	<b>107,502,027</b>
 <b>Liabilities:</b>	
Deposits	60,533,175
Negotiable certificates of deposit	11,291,895
Call money and bills sold	8,541,814
Payables under repurchase agreements	1,808,365
Commercial paper	1,274,071
Trading liabilities	2,163,173
Borrowed money	2,938,927
Foreign exchanges	251,403
Bonds	3,398,674
Convertible bonds	1,106
Pledged money for securities lending transactions	3,906,531
Other liabilities	2,943,028
Reserve for employee bonuses	22,385
Reserve for employee retirement benefit	180,457
Reserve for possible losses on loans sold	126,538
Other reserves	637
Deferred tax liabilities	53,352
Deferred tax liabilities for land revaluation	145,229
Acceptances and guarantees	3,601,158
<b>Total liabilities</b>	<b>103,181,928</b>
 <b>Minority interests</b>	 <b>967,934</b>
 <b>Stockholders' equity:</b>	
Capital stock	1,326,746
Capital surplus	1,684,361
Land revaluation excess	230,153
Retained earnings	541,424
Net unrealized losses on other securities	(394,819)
Foreign currency translation adjustments	(18,479)
<b>Subtotal</b>	<b>3,369,386</b>
Treasury stock	(33)
Parent bank stock held by subsidiaries	(17,189)
<b>Total stockholders' equity</b>	<b>3,352,163</b>
<b>Total liabilities, minority interests and stockholders' equity</b>	<b>107,502,027</b>



Notes to Consolidated Balance Sheet

1. Amounts less than one million have been omitted.
2. Standards for recognition and measurement of trading assets and liabilities are as follows:  
Recognition:  
Trading account positions relating to transactions made for the purposes of seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets, are included in Trading assets or Trading liabilities on the consolidated balance sheet on a contract date basis.  
Measurement:  
Trading securities and monetary claims purchased for trading purposes are stated at market value, and financial derivatives such as swaps, futures and options, are at the amounts that would be settled if the transactions were terminated at the balance sheet date.
3. As for securities other than those in trading portfolio, debt securities which Sumitomo Mitsui Banking Corporation (the 'Bank') and consolidated subsidiaries have the positive intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost, using the moving-average method.  
Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost, using the moving-average method.  
Securities excluding those classified as trading securities, held-to-maturity securities or investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are defined as *other securities*.  
*Other securities* that have market value are carried at market value and *other securities* that do not have market value are carried at cost or amortized cost, using the moving-average method. Net unrealized gains (losses) on *other securities* are recognized, net of applicable income taxes, as a separate component of stockholders' equity.  
The securities held by overseas consolidated subsidiaries are carried at cost or amortized cost, mainly using the specific identification method.
4. Securities included in money held in trust account are carried in the same way as mentioned in notes 2 and 3.
5. Derivative transactions excluding those classified as trading derivatives are carried at fair value, though some consolidated overseas subsidiaries account for derivative transactions in accordance with local accounting standards.
6. Depreciation of premises and equipment owned by the Bank is computed by the straight-line method (the declining-balance method is used as for equipment). For the six-months ended September 30, 2001, the Bank charges 50 % of the estimated annual depreciation costs to its income. The estimated useful lives of major items are as follows:  
Building 7 to 50 years  
Equipment 3 to 20 years  
As for consolidated domestic subsidiaries, depreciation for premises and equipment is computed mainly using the straight-line method over the estimated useful lives of the respective assets and depreciation of lease assets is computed mainly using the straight-line method over the lease term based on the value of assets that will remain at the end of the lease term.  
As for consolidated overseas subsidiaries, depreciation of premises and equipment is computed mainly using the straight-line method over the estimated useful lives of the respective assets.
7. Capitalized software for internal use is depreciated using the straight-line method over its estimated useful life (mainly five years) at the Bank and consolidated domestic subsidiaries.
8. The Bank's assets and liabilities denominated in foreign currencies or overseas branches are translated into Japanese yen mainly at the exchange rate prevailing at the balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at the original rate.  
Formerly, the Bank applied 'the accounting standards for foreign currency transactions in banking industry' introduced in 1990, but from this fiscal year, the Bank applies the revised accounting standards for foreign currency transactions ('Opinion Concerning Revision of Accounting Standard for Foreign Currency Transactions' issued by Business Accounting Deliberation Council on October 22, 1999) with the exception when 'Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry' (JICPA Industry Audit Committee Report No.20) prevails.

Financial swap transactions are accounted for pursuant to the Industry Audit Committee Report No.20 as follows:

- (1) Initial exchange cash flows are assumed as principal of claim and debt and are reported on the balance sheet at the exchange rate prevailing at the interim balance sheet date in the net amount.
- (2) The difference of the initial and final exchange cash flows by currency, which are the reflection of the difference in the yield between the currencies, are assumed as interest and are accounted for on an accrual basis on the balance sheet and the statement of income.

Financial swap is a swap transaction in the foreign exchange market entered into for the purpose of lending/borrowing money in different currencies at risk free, by setting the initial and final exchange inversely in the amount of the principal and the principal plus interest respectively of the embedded money transactions with the fixed maturity and the fixed interest amount.

Consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at their respective interim balance sheet date.

9. Reserve for possible loan losses of the Bank and major consolidated subsidiaries are provided as detailed below, in accordance with the internal standards for write-offs and reserves.
- For claims on borrowers who are legally bankrupt ("bankrupt borrowers") or borrowers who are regarded as substantially in the same situation ("effectively bankrupt borrowers"), a reserve is provided based on the amount of claims net of the expected amount of recoveries from collateral and guarantees net of the deducted amount mentioned below.
- For claims on borrowers who are not currently in the status of bankrupt but are likely to become bankrupt in future, a reserve is provided by the amount deemed necessary based on overall solvency assessment, out of the amount of claims net of the expected amount of recoveries from collateral and guarantees.
- For other claims, a reserve is provided based on the historical loan-loss ratio.
- For claims originated in certain countries, an additional reserve (including a reserve for losses on overseas investments prescribed in Article 55-2 of Specific Taxation Measures Law) is provided by the amount deemed necessary based on assessment of political and economic conditions in such countries.
- All claims are assessed by branches and credit supervision departments in accordance with the internal rule for self-assessment of assets. Subsequently, Credit Review Department, independent from these operating sections, audits their assessment. The reserves are provided based on these layers of review.
- Reserve for possible loan losses of other consolidated subsidiaries is provided for general claims by the amount deemed necessary based on the historical loan-loss ratio, and for doubtful claims by the amount deemed uncollectable based on respective assessment.
- For claims on 'bankrupt borrowers' and 'effectively bankrupt borrowers,' the amount exceeding the estimated value of collateral and guarantees, is deducted, as deemed uncollectable directly from those claims. The deducted amount is 2,038,535 million yen.
10. Reserve for accrued bonuses to employees are provided, in provision for payment of bonuses to employees, by the amount of estimated bonuses, of which are attributable to this consolidated interim term. Accrued bonuses to employees were recognized on accrued expenses in Other liabilities, but 'Reserve for employee bonuses' is reported from this fiscal year in accordance with 'Concerning financial statement titles to be used for accrued bonuses for employees' (Research center review information No.15 issued by JICPA).
11. Reserve for employee retirement benefit (prepaid pension cost) is recorded, in provision for payment of retirement benefit to employees, by the amount accrued at end of interim term end, based on an actuarial computation, which uses the present value of the projected benefit obligation and plan assets, due to employee's credited years of services at the consolidated balance sheet date.
- Prior service cost is amortized using the straight-line method over 10 years.
- Unrecognized net actuarial gain (loss) is amortized using the straight-line method over 10 years commencing from the next fiscal year of incurrence.
- Unrecognized net obligation from initial application of the new accounting standard for employee retirement benefit is amortized using the straight-line method over 5 years and is charged 50% of the annual amortized cost to its income for the six months ended September 30, 2001.
12. Reserve for possible losses on loans sold provides for contingent losses arising from decline of market value of underlying collateral for loans sold to the Cooperative Credit Purchasing Company, Limited. This reserve is provided in accordance with Article 287-2 of the Commercial Code.
13. Financing leases of the Bank and consolidated domestic subsidiaries, except for those which transfer the ownership of the property to the lessee, are accounted for in the same manner as operating leases.
14. In accordance with the Industry Audit Committee Report No.15 'Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry' issued by JICPA, the Bank applies 'the risk adjustment approach' as a hedge accounting (Macro hedge), abiding by the following requirements:
- (1) Loans, deposits and other interest bearing assets and liabilities as a whole shall be recognized as the hedged portfolio.
  - (2) Derivatives as the hedging instruments shall effectively reduce the interest rate exposure of the hedged portfolio.
  - (3) Eligibility of hedging activities shall be evaluated on a quarterly basis.
- The Bank applies deferred hedge accounting.

The Bank applies accounting for deferred hedge in relation to stocks of subsidiaries and affiliates, accounting for fair value hedge to 'other securities' other than debt securities, denominated in foreign currency but either of which

conversion difference is not recognized as profit and loss by themselves.

The above accountings are applied, on the conditions that the hedged security is specified in advance and that on-balance (actual) or off-balance (forward) liability exposure exists enough to cover the cost of the hedged security, and in pursuant to 'Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry' (JICPA Industry Audit Committee Report No.20).

Certain derivatives managed by some of overseas branches are recorded on a cost basis using the short-cut method (exceptional treatment) for interest rate swaps in view of consistency with the way of risk management.

Domestic subsidiaries use the deferred hedge accounting or the short-cut method (exceptional treatment) for interest rate swaps.

15. Consumption tax and local consumption tax of the Bank and consolidated domestic subsidiaries are accounted for using the tax-excluded method.
16. 'Other reserve' required by Special Law is stated as follows:  
Reserve for contingent liabilities from financial futures transaction that was provided in accordance with Article 82 of the Financial Futures Transaction Law is recorded at 18 million yen.  
Reserve for contingent liabilities from securities transaction that was provided in accordance with Article 51 of Securities Exchange Law is recorded at 618 million yen.
17. Accumulated depreciation of premises and equipment amounted to 675,968 million yen.  
Accumulated depreciation of lease assets amounted to 1,412,010 million yen.
18. Bankrupt loans and Non-accrual loans are 248,680 million yen and 2,294,807 million yen respectively. 'Bankrupt loans' consist of loans on which the Bank and consolidated subsidiaries do not currently accrue interest income due to the nonpayment status or other credit conditions of the borrower and which meet certain conditions defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No.97 of the Japanese Corporate Tax Law, issued in 1965. 'Non-accrual loans' is defined as loans on which the Bank and/or consolidated subsidiaries do not currently accrue interest income but excluding 'Bankrupt loans' and loans for which the Bank and/or consolidated subsidiaries are forbearing interest payments to support the borrowers' recovery from financial difficulty.
19. 'Past due loans (3 months or more)' are 124,521 million yen. Past due loans (3 months or more) consist of loans of which principal and/or interest is past due for three months or more but exclude Bankrupt loans and Non-accrual loans.
20. Restructured loans are 1,114,939 million yen. 'Restructured loans' are loans for which the Bank and consolidated subsidiaries relax lending terms, such as reduction of the original interest rate, forbearance of interest payments or principal repayments to support the borrowers' recovery from financial difficulty, but excluding Bankrupt loans, Non-accrual loans and Past due loans (3 months or more).
21. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans are 3,782,947 million yen as of the consolidated interim balance sheet date.  
The amounts of loans presented through 18 to 21 are amounts before reserve for possible loan losses is deducted.
22. The total face value of Bank acceptance bought, Commercial bills discounted and Documentary bills is 1,249,030 million yen.

23. Assets pledged as collateral as of the consolidated balance sheet date are as follows:

	(Millions of yen)
Assets pledged	
Cash and due from banks	57,484
Trading assets	920,433
Securities	9,695,256
Loans and bills discounted	1,728,781
Other assets (installment account receivable)	1,499
Premises and equipment	554
Liabilities corresponding to assets pledged	
Deposits	4,978
Call money and Bills sold	6,104,400
Payables under repurchase agreements	1,760,368
Trading liabilities	46,349
Borrowed money	139,906
Pledged money for securities lending transactions	3,287,729
Other liabilities	9,422
Acceptances and guarantees	49,312

In addition, cash and due from banks of 39,415 million yen, trading assets of 2,566 million yen, securities of 1,646,046 million yen, loans and bills discounted of 859,447 million yen were pledged as collateral for cash settlements, variation margins of futures markets and certain other purposes.

Premises and equipment include surety deposits and intangible of 120,305 million yen, and other assets include initial margins of futures markets of 38,638 million yen.

24. Net of deferred unrealized gains and losses from hedging instruments is reported in deferred profit on hedge which are included in Other liabilities. Gross deferred unrealized gains and gross deferred unrealized losses from hedging instruments are 1,193,746 million yen and 1,038,497 million yen respectively.
25. Pursuant to the Law concerning Land Revaluation (the Law) effective March 31, 1998, the Bank and some of its consolidated domestic subsidiaries revalued their own land for business activities. The income taxes corresponded to the net unrealized gains are deferred and reported in liabilities as 'Deferred tax liabilities for land revaluation', and the net unrealized gains net of deferred taxes are reported as 'Land revaluation excess' in Stockholders' equity.
- |  |                |
|--|----------------|
| Date of the revaluation                        |                |
| The Bank                                       | March 31, 1998 |
| Some of its consolidated domestic subsidiaries | March 31, 1999 |
- Method of revaluation (provided in Article 3-3 of the Law)
- The Bank:  
The fair values are determined by applying appropriate adjustments for land shape and timing of appraisal to the values specified in any of the Article 2-3, 2-4 or 2-5 of the Enforcement Ordinance of the Law concerning Land Revaluation (the Enforcement Ordinance) effective Mar 31, 1998.
- Some of its consolidated domestic subsidiaries:  
The fair values are determined based on the values specified in the Article 2-5 of the Enforcement Ordinance.
26. The balance of subordinated debt included in Borrowed money is 1,048,130 million yen.
27. The balance of subordinated bonds included in Bonds is 1,850,604 million yen.
28. Stockholders' equity per share is 359.97 yen.
29. 'Japanese Government Bonds' as a sub-account of 'Securities' includes 999 million yen of unsecured loans of securities without restrictions as to disposal. 'Securities' includes 1,665 million yen of lease of securities. The Bank mortgages 1,833,377 million yen and holds in hand 187,102 million yen of secondhand securities without restrictions as to disposal which are either borrowed, mortgaged under repurchase agreements or under loans of securities backed by cash. The Bank may pledge leasehold securities as well. Unsecured loans of securities and securities under repurchase agreements were recognized as 'Securities in custody' as a sub-account of 'Other assets' and 'Trading account securities borrowed' or 'Securities borrowed' as a sub-account of 'Other liabilities' by the same amounts. From this fiscal year, they are not reported on balance sheet in accordance with the revision of the accounting standards for financial instruments. Consequently, Other assets and Other liabilities decrease by 1,283,943 million yen as compared with the former manner.
30. Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, to the prescribed amount as long as there is no violation of any condition established in the contracts. The amount of unused commitments upon is 24,996,885 million yen, and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time is 22,656,823 million yen. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments have clauses that the Bank and consolidated subsidiaries can reject the application from customers or reduce the contract amounts in case economic conditions are changed, the Bank and consolidated subsidiaries need to secure claims or others occur. In addition, the Bank and consolidated subsidiaries request the customers to pledge collateral such as premises and securities at conclusion of the contracts, and take necessary measures such as grasping customers' financial positions, revising contracts when need arises and securing claims after conclusion of the contracts.
31. In accordance with application of accounting standards for financial instruments, 'Net unrealized losses on *other securities*' is reported by the amount of valuation losses, net of taxes, which is arising from evaluating *other securities* and other money held in trust at the fair value. Consequently, the total amount of 'Securities' and 'Money held in trust' decreases by 645,402 million yen and (394,819) million yen of 'Net unrealized losses on *other securities*' is reported on the consolidated balance sheet.
32. In the past, pledged money that was pledged in securities lending transactions was included in 'Other liabilities,' and from this consolidated fiscal year it is presented as 'Pledged money for securities lending transactions' on the consolidated balance sheet.

## CONSOLIDATED STATEMENT OF INCOME

Six months ended September 30, 2001 (Millions of yen)

<b>Operating income:</b>	
Interest income	1,067,744
Interest on loans and discounts	731,458
Interest and dividends on securities	147,883
Fees and commissions	189,936
Trading profits	73,656
Other operating income	394,199
Other income	76,266
<b>Total operating income</b>	<b><u>1,801,802</u></b>
 <b>Operating expenses:</b>	
Interest expenses	393,013
Interest on deposits	193,420
Fees and commissions	36,388
Other operating expenses	321,415
General and administrative expenses	468,382
Other expenses	468,151
<b>Total operating expenses</b>	<b><u>1,687,351</u></b>
<b>Operating profit</b>	<b><u>114,450</u></b>
 <b>Extraordinary profit</b>	 <b>5,866</b>
<b>Extraordinary loss</b>	<b><u>21,652</u></b>
<b>Income before income taxes and minority interests</b>	<b><u>98,665</u></b>
 <b>Income taxes, Current</b>	 <b>37,746</b>
<b>Income taxes, Deferred</b>	<b>3,605</b>
<b>Minority interests in net income</b>	<b><u>23,116</u></b>
<b>Net income</b>	<b><u><u>34,196</u></u></b>

Notes to Consolidated Statement of Income

1. Amounts less than one million have been omitted.
2. Net income per share is 6.02 yen.
3. Net income per share (diluted) is 6.01 yen.
4. Trading profits and trading losses are recognized on a contract date basis, and include interest received/paid, and the amount of change in valuation gains/losses for securities, monetary claims and derivatives as of the consolidated interim term end date compared with that at the end of the previous term. The amount of change of valuation gains/losses for derivatives are measured using the estimated settlement price assuming settlement in cash at the consolidated interim term end date.
5. Standards for recognizing rental income on lease transactions and income/expenses on installment sales are as follows:
  - (1) Recognition of Lease-related income on lease transactions  
Basically, Lease-related income is recognized on a straight-line basis over the full term of the lease, based on the contractual amount of lease fees per month.
  - (2) Recognition of income and expenses on installment sales  
Basically, Installment-related income and Installment-related expenses are recognized on a due-date basis over the full term of the installment.
6. Other income includes gains on sales of stocks and other securities of 69,854 million yen.
7. Other expenses include transfer to reserve for possible loan losses of 116,760 million yen, write-off of loans of 196,816 million yen and losses on devaluation of stocks of 74,442 million yen.
8. Extraordinary profit includes gain on sale of business operation of 5,000 million yen.
9. Extraordinary loss includes amortized cost of unrecognized net obligation from initial application of the new accounting standard for employee retirement benefit in fiscal 2000 of 11,743 million yen.

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Six months ended September 30, 2001	(Millions of yen)
<b>Balance at beginning of six-month period</b>	<b>319,924</b>
<b>Increase of retained earnings</b>	<b>309,864</b>
Increase of retained earnings due to merger	296,313
Increase of retained earnings due to merger of consolidated subsidiaries	1,786
Increase of retained earnings due to increase of consolidated subsidiaries	10,936
Increase of retained earnings due to increase of affiliates accounted for by the equity method	828
<b>Decrease of retained earnings</b>	<b>122,561</b>
Dividends paid	11,199
Decrease of retained earnings at beginning of six-month period due to merger of consolidated subsidiaries	4,465
Decrease of retained earnings due to increase of consolidated subsidiaries	106,479
Decrease of retained earnings due to increase of affiliates accounted for by the equity method	3
Decrease of retained earnings due to transfer of land revaluation excess	413
<b>Net income</b>	<b><u>34,196</u></b>
<b>Balance at end of six-month period</b>	<b><u><u>541,424</u></u></b>

Note: Amounts less than one million are omitted.

## CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended September 30, 2001

(Millions of yen)

<b>1. Cash flows from operating activities:</b>	
Income before income taxes and minority interests	98,665
Depreciation of premises, equipment and others	46,712
Depreciation of lease assets	153,718
Amortization of goodwill	1,827
Net (income) loss from unconsolidated entities accounted for by the equity method	364
Net change in reserve for possible loan losses	(104,836)
Net change in reserve for possible losses on loans sold	(18,728)
Net change in reserve for employee bonuses	22,385
Net change in reserve for employee retirement benefit	(9,984)
Interest income	(1,067,744)
Interest expenses	393,013
Net (gain) loss on securities transactions	(17,951)
Net (income) loss from money held in trust	349
Net exchange (gain) loss	9,313
Net (gain) loss from disposition of premises and equipment	8,309
Net (gain) loss from disposition of lease assets	885
Gain on sale of business operation	(5,000)
Net change in trading assets	(727,177)
Net change in trading liabilities	880,170
Net change in loans and bills discounted	658,132
Net change in deposits	(2,512,450)
Net change in negotiable certificates of deposit	(355,050)
Net change in borrowed money (excluding subordinated debt)	(430,281)
Net change in interest-earning deposits	1,525,833
Net change in call loans, bills bought and receivables under resale agreements	2,113,527
Net change in pledged money for securities borrowing transactions	(223,111)
Net change in call money, bills sold and payables under repurchase agreements	(4,881,493)
Net change in commercial paper	(462,749)
Net change in pledged money for securities lending transactions	(984,252)
Net change in foreign exchanges (assets)	93,962
Net change in foreign exchanges (liabilities)	655
Net change in bonds (excluding subordinated bonds)	200,293
Interest received	1,154,603
Interest paid	(475,110)
Other, net	(753,281)
<b>Subtotal</b>	<b><u>(5,666,480)</u></b>
Income taxes paid	(31,808)
<b>Net cash used in operating activities</b>	<b><u>(5,698,288)</u></b>
<b>2. Cash flows from investing activities:</b>	
Purchases of securities	(20,323,863)
Proceeds from sale of securities	16,412,440
Proceeds from maturity of securities	9,595,326
Purchases of money held in trust	(1,677)
Proceeds from sale of money held in trust	8,653
Purchases of premises and equipment	(24,814)
Proceeds from sale of premises and equipment	4,469
Purchases of lease assets	(182,574)
Proceeds from sale of lease assets	17,289
Purchases of stocks of subsidiaries	(599)
Proceeds from sale of business operation	5,000
<b>Net cash provided by investing activities</b>	<b><u>5,509,649</u></b>
<b>3. Cash flows from financing activities:</b>	
Proceeds from issuance of subordinated debt	45,000
Repayment of subordinated debt	(146,000)
Proceeds from issuance of subordinated bonds, convertible bonds and notes	151,000
Repayment of subordinated bonds, convertible bonds and notes	(89,045)
Dividends paid	(11,084)
Payment of delivered money due to merger	(17,834)
Dividends paid to minority shareholders	(22,153)
Purchases of treasury stock	(8,288)
Proceeds from sale of treasury stock	8,286
Proceeds from sale of parent bank stock held by subsidiaries	1,607
<b>Net cash used in financing activities</b>	<b><u>(88,511)</u></b>
<b>4. Foreign currency translation adjustments on cash and cash equivalents</b>	<b><u>(1,320)</u></b>
<b>5. Net change in cash and cash equivalents</b>	<b><u>(278,471)</u></b>
<b>6. Cash and cash equivalents at beginning of six-month period</b>	<b>868,132</b>
<b>7. Change in cash and cash equivalents due to merger</b>	<b>1,075,527</b>
<b>8. Change in cash and cash equivalents due to merger of consolidated subsidiaries</b>	<b>2,401</b>
<b>9. Change in cash and cash equivalents due to increase of subsidiaries in consolidation</b>	<b>96,459</b>
<b>10. Cash and cash equivalents at end of six-month period</b>	<b><u>1,764,049</u></b>



Notes to Consolidated Statement of Cash Flows

1. Amounts less than one million are omitted.
2. For the purposes of the consolidated statements of cash flows, 'Cash and cash equivalents' represents cash on hand and non-interest earning deposits with banks.
3. Reconciliation of 'Cash and due from banks' in the consolidated balance sheet to 'Cash and cash equivalents' at the term-end is as follows:

	(Millions of yen)
Cash and due from banks	5,736,255
<u>Interest earning deposits</u>	<u>(3,972,206)</u>
Cash and cash equivalents	<u>1,764,049</u>

(= Cash on hand and non-interest earning deposits with banks)

4. 'Depreciation of premises and equipment' (28,992 million yen for the six months ended September 30, 2001) and 'Depreciation of other assets' (17,719 million yen) that was included in 'Other' in operating activities were reported on the consolidated statement of cash flows for the year ended March 31, 2001. From this fiscal year, they are included in 'Depreciation of premises, equipment and others'

## COMPARATIVE CONSOLIDATED BALANCE SHEETS (CONDENSED)

(Millions of yen)

September 30, 2001 and 2000, and March 31, 2001	September 30			March 31	
	2001 (A)	2000 (B)	Difference (A-B)	2001 (C)	Difference (A-C)
<b>Assets:</b>					
Cash and due from banks	5,736,255	6,337,959	(601,704)	7,519,865	(1,783,610)
Call loans and bills bought	425,289	253,389	171,900	507,614	(82,325)
Receivables under resale agreements	981,216	297,740	683,476	2,905,306	(1,924,090)
Commercial paper and other debt purchased	330,214	199,286	130,928	259,016	71,198
Trading assets	3,225,015	3,127,895	97,120	2,490,982	734,033
Money held in trust	63,622	111,277	(47,655)	75,120	(11,498)
Securities	20,511,560	19,032,346	1,479,214	27,312,498	(6,800,938)
Loans and bills discounted	64,727,609	66,662,392	(1,934,783)	65,537,091	(809,482)
Foreign exchanges	644,896	739,327	(94,431)	738,761	(93,865)
Other assets	4,362,508	5,432,262	(1,069,754)	5,657,250	(1,294,742)
Premises and equipment	1,414,607	1,556,729	(142,122)	1,566,892	(152,285)
Lease assets	939,746	816,923	122,823	827,134	112,612
Deferred tax assets	1,696,347	1,202,264	494,083	1,156,514	539,833
Goodwill	5,446	5,969	(523)	6,224	(778)
Customers' liabilities for acceptances and guarantees	3,601,158	3,168,964	432,194	3,951,237	(350,079)
Reserve for possible loan losses	(1,163,469)	(1,621,602)	458,133	(1,268,853)	105,384
<b>Total assets</b>	<b><u>107,502,027</u></b>	<b><u>107,323,132</u></b>	<b><u>178,895</u></b>	<b><u>119,242,661</u></b>	<b><u>(11,740,634)</u></b>
<b>Liabilities:</b>					
Deposits	60,533,175	61,085,813	(552,638)	63,049,051	(2,515,876)
Negotiable certificates of deposit	11,291,895	9,225,160	2,066,735	11,646,971	(355,076)
Call money and bills sold	8,541,814	7,715,973	825,841	9,941,070	(1,399,256)
Payables under repurchase agreements	1,808,365	3,388,459	(1,580,094)	5,262,187	(3,453,822)
Commercial paper	1,274,071	267,688	1,006,383	1,736,153	(462,082)
Trading liabilities	2,163,173	1,281,894	881,279	1,270,014	893,159
Borrowed money	2,938,927	3,827,607	(888,680)	3,460,782	(521,855)
Foreign exchanges	251,403	145,642	105,761	250,907	496
Bonds	3,398,674	2,984,376	414,298	3,195,061	203,613
Convertible bonds	1,106	101,201	(100,095)	101,106	(100,000)
Pledged money for securities lending transactions	3,906,531	-	3,906,531	4,607,098	(700,567)
Other liabilities	2,943,028	8,741,127	(5,798,099)	5,413,152	(2,470,124)
Reserve for employee bonuses	22,385	-	22,385	-	22,385
Reserve for employee retirement benefit	180,457	113,772	66,685	39,688	140,769
Reserve for loss on loans sold	126,538	142,033	(15,495)	145,266	(18,728)
Other reserves	637	653	(16)	651	(14)
Deferred tax liabilities	53,352	9,024	44,328	24,640	28,712
Deferred tax liabilities for land revaluation excess	145,229	149,353	(4,124)	144,055	1,174
Acceptances and guarantees	3,601,158	3,168,964	432,194	3,951,237	(350,079)
<b>Total liabilities</b>	<b><u>103,181,928</u></b>	<b><u>102,348,755</u></b>	<b><u>833,173</u></b>	<b><u>114,239,104</u></b>	<b><u>(11,057,176)</u></b>
<b>Minority interests</b>	<b><u>967,934</u></b>	<b><u>977,432</u></b>	<b><u>(9,498)</u></b>	<b><u>990,595</u></b>	<b><u>(22,661)</u></b>
<b>Total shareholders' equity</b>	<b><u>3,352,163</u></b>	<b><u>3,996,941</u></b>	<b><u>(644,778)</u></b>	<b><u>4,012,960</u></b>	<b><u>(660,797)</u></b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b><u>107,502,027</u></b>	<b><u>107,323,132</u></b>	<b><u>178,895</u></b>	<b><u>119,242,661</u></b>	<b><u>(11,740,634)</u></b>

Notes 1. Amounts less than one million are rounded down.

2. Amounts at September 2000 and March 2001 are the sum of those of the Sakura Bank and the Sumitomo Bank.

## COMPARATIVE CONSOLIDATED STATEMENTS OF INCOME (CONDENSED)

(Millions of yen)

Six months ended September 30, 2001 and 2000, and Year ended March 31, 2001	Six months ended September 30			Year ended March 31
	2001 (A)	2000 (B)	Difference (A-B)	2001
<b>Operating income:</b>				
Interest income	1,067,744	1,185,237	(117,493)	2,435,884
Interest on loans and discounts	731,458	779,799	(48,341)	1,647,263
Interest and dividends on securities	147,883	136,495	11,388	328,449
Fees and commissions	189,936	200,515	(10,579)	412,097
Trading profits	73,656	44,974	28,682	111,183
Other operating income	394,199	322,751	71,448	649,681
Other income	76,266	422,166	(345,900)	840,328
<b>Total operating income</b>	<b>1,801,802</b>	<b>2,175,648</b>	<b>(373,846)</b>	<b>4,449,177</b>
<b>Operating expenses:</b>				
Interest expenses	393,013	574,912	(181,899)	1,112,348
Interest on deposits	193,420	260,957	(67,537)	607,985
Fees and commissions	36,388	46,466	(10,078)	95,781
Trading losses	-	1,662	(1,662)	2,146
Other operating expenses	321,415	268,285	53,130	560,664
General and administrative expenses	468,382	448,591	19,791	940,889
Other expenses	468,151	467,390	761	1,242,727
<b>Total operating expenses</b>	<b>1,687,351</b>	<b>1,807,310</b>	<b>(119,959)</b>	<b>3,954,560</b>
<b>Operating profit</b>	<b>114,450</b>	<b>368,336</b>	<b>(253,886)</b>	<b>494,617</b>
<b>Extraordinary profit</b>	<b>5,866</b>	<b>4,517</b>	<b>1,349</b>	<b>52,021</b>
<b>Extraordinary loss</b>	<b>21,652</b>	<b>41,582</b>	<b>(19,930)</b>	<b>141,124</b>
<b>Income before income taxes and minority interests</b>	<b>98,665</b>	<b>331,271</b>	<b>(232,606)</b>	<b>405,514</b>
<b>Income taxes, Current</b>	<b>37,746</b>	<b>75,189</b>	<b>(37,443)</b>	<b>65,530</b>
<b>Income taxes, Deferred</b>	<b>3,605</b>	<b>136,882</b>	<b>(133,277)</b>	<b>198,227</b>
<b>Minority interests in net income</b>	<b>23,116</b>	<b>12,015</b>	<b>11,101</b>	<b>9,346</b>
<b>Net income</b>	<b>34,196</b>	<b>107,183</b>	<b>(72,987)</b>	<b>132,408</b>

Notes 1. Amounts less than one million are rounded down.

2. Amounts for September 2000 and March 2001 are the sum of those of the Sakura Bank and the Sumitomo Bank.

## COMPARATIVE CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (CONDENSED)

(Millions of yen)

Six months ended September 30, 2001 and 2000, and Year ended March 31, 2001	Six months ended September 30			Year ended March 31
	2001 (A)	2000 (B)	Difference (A-B)	2001
<b>Balance at beginning of the period</b>	<b>319,924</b>	<b>451,734</b>	<b>(131,810)</b>	<b>451,734</b>
<b>Increase of retained earnings</b>	<b>309,864</b>	<b>4,692</b>	<b>305,172</b>	<b>12,978</b>
<b>Decrease of retained earnings</b>	<b>122,561</b>	<b>34,229</b>	<b>88,332</b>	<b>81,136</b>
<b>Net income</b>	<b>34,196</b>	<b>107,183</b>	<b>(72,987)</b>	<b>132,408</b>
<b>Balance at end of the period</b>	<b>541,424</b>	<b>529,380</b>	<b>12,044</b>	<b>515,984</b>

Notes 1. Amounts less than one million are rounded down.

2. Amounts for September 2000 and March 2001 are the sum of those of the Sakura Bank and the Sumitomo Bank.

**COMPARATIVE CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

	Six months ended September 30			Year ended March 31
	2001 (A)	2000 (B)	Difference (A-B)	2001
<b>Six months ended September 30, 2001 and 2000, and Year ended March 31, 2001</b>				
<b>1. Cash flows from operating activities:</b>				
Income before income taxes and minority interests	98,665	331,271	(232,606)	405,514
Depreciation of premises and equipment	-	27,036	(27,036)	61,263
Depreciation of premises, equipment and others	46,712	-	46,712	-
Depreciation of lease assets	153,718	135,089	18,629	268,700
Amortization of goodwill	1,827	-	1,827	8,648
Net (income) loss from unconsolidated entities accounted for by the equity method	364	(24,118)	24,482	(44,362)
Net change in reserve for possible loan losses	(104,836)	(58,781)	(46,055)	(423,540)
Net change in reserve for possible losses on loans sold	(18,728)	(71,838)	53,110	(68,606)
Net change in reserve for employee bonuses	22,385	-	22,385	-
Net change in reserve for retirement allowances	-	(41,367)	41,367	(41,371)
Net change in reserve for employee retirement benefit	(9,984)	58,411	(68,395)	(20,303)
Interest income	(1,067,744)	(1,185,237)	117,493	(2,435,884)
Interest expenses	393,013	574,912	(181,899)	1,112,348
Net (gain) loss on securities transactions	(17,951)	(244,817)	226,866	(500,932)
Net (income) loss from money held in trust	349	94	255	(804)
Net exchange (gains) losses	9,313	1,111	8,202	(152,074)
Net (gains) losses from disposition of premises and equipment	8,309	8,923	(614)	33,907
Net (gains) losses from disposition of lease assets	885	8,670	(7,785)	3,575
Gain on sale of business operation	(5,000)	-	(5,000)	-
Net change in trading assets	(727,177)	(107,906)	(619,271)	569,421
Net change in trading liabilities	880,170	289,850	590,320	243,931
Net change in payable for trading contracts	-	(265,226)	265,226	(588,359)
Net change in loans and bills discounted	658,132	330,401	327,731	1,740,915
Net change in deposits	(2,512,450)	399,936	(2,912,386)	2,005,338
Net change in negotiable certificates of deposit	(355,050)	(1,162,588)	807,538	1,254,054
Net change in borrowed money (excluding subordinated debt)	(430,281)	(210,404)	(219,877)	(612,280)
Net change in interest-earning deposits	1,525,833	(988,684)	2,514,517	(1,989,971)
Net change in call loans, bills bought and receivables under resale agreements	2,113,527	105,433	2,008,094	(2,787,443)
Net change in pledged money for securities borrowing transactions	(223,111)	(14,941)	(208,170)	27,544
Net change in call money, bills sold and payables under repurchase agreements	(4,881,493)	1,125,084	(6,006,577)	5,185,675
Net change in commercial paper	(462,749)	(390,505)	(72,244)	1,077,095
Net change in pledged money for securities lending transactions	(984,252)	(1,093,263)	109,011	521,298
Net change in foreign exchanges (assets)	93,962	(54,042)	148,004	(45,906)
Net change in foreign exchanges (liabilities)	655	(47,708)	48,363	57,307
Net change in bonds (excluding subordinated bonds)	200,293	391,362	(191,069)	679,420
Interest received	1,154,603	1,094,846	59,757	2,360,875
Interest paid	(475,110)	(548,948)	73,838	(1,277,801)
Other, net	(753,281)	31,143	(784,424)	206,821
<b>Subtotal</b>	<b>(5,666,480)</b>	<b>(1,596,803)</b>	<b>(4,069,677)</b>	<b>6,834,014</b>
Income taxes paid	(31,808)	(23,089)	(8,719)	(57,835)
<b>Net cash provided by (used in) operating activities</b>	<b>(5,698,288)</b>	<b>(1,619,893)</b>	<b>(4,078,395)</b>	<b>6,776,178</b>
<b>2. Cash flows from investing activities:</b>				
Purchases of securities	(20,323,863)	(15,419,141)	(4,904,722)	(45,283,928)
Proceeds from sale of securities	16,412,440	7,646,458	8,765,982	21,689,226
Proceeds from maturity of securities	9,595,326	8,898,828	696,498	16,875,074
Purchases of money held in trust	(1,677)	(90,157)	88,480	(100,471)
Proceeds from sale of money held in trust	8,653	160,436	(151,783)	208,777
Purchases of premises and equipment	(24,814)	(61,167)	36,353	(168,019)
Proceeds from sale of premises and equipment	4,469	29,709	(25,240)	81,844
Purchases of lease assets	(182,574)	(154,476)	(28,098)	(314,383)
Proceeds from sale of lease assets	17,289	17,820	(531)	35,590
Proceeds from sale of business operation	(599)	(20,024)	19,425	(2,684)
Proceeds from sale of a subsidiary	-	4,937	(4,937)	5,083
Proceeds from sale of business operation	5,000	-	5,000	-
<b>Net cash provided by (used in) investing activities</b>	<b>5,509,649</b>	<b>1,013,224</b>	<b>4,496,425</b>	<b>(6,973,889)</b>
<b>3. Cash flows from financing activities:</b>				
Proceeds from issuance of subordinated debt	45,000	44,363	637	122,283
Repayment of subordinated debt	(146,000)	(136,500)	(9,500)	(371,774)
Proceeds from issuance of subordinated bonds, convertible bonds and notes	151,000	203,700	(52,700)	254,000
Repayment of subordinated bonds, convertible bonds and notes	(89,045)	(259,785)	170,740	(476,181)
Dividends paid	(11,084)	(29,055)	17,971	(58,111)
Payment of delivered money due to merger	(17,834)	-	(17,834)	-
Proceeds from issuance of subsidiaries stocks paid by minority stockholders	-	-	-	14,000
Dividends paid to minority stockholders	(22,153)	(6,306)	(15,847)	(7,666)
Purchases of treasury stock	(8,288)	(661)	(7,627)	(1,349)
Proceeds from sale of treasury stock	8,286	653	7,633	1,134
Proceeds from sale of parent bank stock held by subsidiaries	1,607	-	1,607	-
<b>Net cash provided by (used in) financing activities</b>	<b>(88,511)</b>	<b>(183,593)</b>	<b>95,082</b>	<b>(523,666)</b>
<b>4. Foreign currency translation adjustments on cash and cash equivalents</b>	<b>(1,320)</b>	<b>(440)</b>	<b>(880)</b>	<b>3,355</b>
<b>5. Net change in cash and cash equivalents</b>	<b>(278,471)</b>	<b>(790,703)</b>	<b>512,232</b>	<b>(718,021)</b>
<b>6. Cash and cash equivalents at beginning of six-month period</b>	<b>868,132</b>	<b>2,731,303</b>	<b>(1,863,171)</b>	<b>2,731,303</b>
<b>7. Change in cash and cash equivalents due to merger</b>	<b>1,075,527</b>	<b>-</b>	<b>1,075,527</b>	<b>-</b>
<b>8. Change in cash and cash equivalents due to merger of consolidated subsidiaries</b>	<b>2,401</b>	<b>-</b>	<b>2,401</b>	<b>-</b>
<b>9. Change in cash and cash equivalents due to increase of subsidiaries in consolidation</b>	<b>96,459</b>	<b>90</b>	<b>96,369</b>	<b>2,219</b>
<b>10. Cash and cash equivalents at end of six-month period</b>	<b>1,764,049</b>	<b>1,940,690</b>	<b>(176,641)</b>	<b>2,015,501</b>

Notes 1. Amounts less than one million are rounded down.

2. Amounts for September 2000 and March 2001 are the sum of those of the Sakura Bank and the Sumitomo Bank.

## V. SEGMENT INFORMATION

### (1) Business segment information

Six months ended September 30, 2001							(Millions of yen)
	Banking Business	Leasing	Other	Total	Elimination	Consolidated	
<b>Operating income</b>							
(1) External customers	1,310,269	280,323	211,210	1,801,802	-	1,801,802	
(2) Intersegment	110,892	3,115	123,142	237,149	(237,149)	-	
Total	1,421,161	283,438	334,352	2,038,952	(237,149)	1,801,802	
Operating expenses	1,290,830	273,254	264,286	1,828,371	(141,019)	1,687,351	
Operating profit (loss)	130,330	10,184	70,066	210,580	(96,129)	114,450	

(Notes)

1. The business segmentation is determined based on the Bank's internal administrative purpose.  
Operating income and operating expenses are presented as counterparts of sales and operating profit of companies in other industries.
2. "Other" includes securities, credit card, investment banking, loans and venture capital etc.

### Six months ended September 30, 2000

#### (a) Sakura Bank

Some of the consolidated subsidiaries are engaged in securities, trust, leasing and other businesses in addition to banking business. As those activities are not deemed material, business segment information has not been disclosed.

#### (b) Sumitomo Bank

(Millions of yen)

	Banking Business	Leasing	Other	Total	Elimination	Consolidated
<b>Operating income</b>						
(1) External customers	817,697	252,512	224,260	1,294,470	-	1,294,470
(2) Intersegment	41,585	1,977	53,788	97,351	(97,351)	-
Total	859,282	254,490	278,048	1,391,821	(97,351)	1,294,470
Operating expenses	713,139	240,446	142,082	1,095,667	(63,535)	1,032,132
Operating profit (loss)	146,142	14,044	135,966	296,153	(33,815)	262,337

### Year ended March 31, 2001

#### (a) Sakura Bank

Some of the consolidated subsidiaries are engaged in securities, trust, leasing and other businesses in addition to banking business. As those activities are not deemed material, business segment information has not been disclosed.

#### (b) Sumitomo Bank

(Millions of yen)

	Banking Business	Leasing	Other	Total	Elimination	Consolidated
<b>Operating income</b>						
(1) External customers	1,843,146	516,850	365,998	2,725,995	-	2,725,995
(2) Intersegment	75,387	4,078	111,435	190,901	(190,901)	-
Total	1,918,534	520,929	477,434	2,916,897	(190,901)	2,725,995
Operating expenses	1,731,682	500,251	314,034	2,545,968	(130,713)	2,415,254
Operating profit (loss)	186,851	20,677	163,399	370,929	(60,187)	310,741

(2) Geographic segment information

Six months ended September 30, 2001 (Millions of yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	1,391,513	185,708	101,692	122,887	1,801,802	–	1,801,802
(2) Intersegment	106,595	64,894	68,183	43,734	283,408	(283,408)	–
Total	1,498,109	250,602	169,876	166,622	2,085,211	(283,408)	1,801,802
Operating expenses	1,426,948	164,291	160,091	147,213	1,898,544	(211,192)	1,687,351
Operating profit (loss)	71,160	86,311	9,784	19,409	186,666	(72,215)	114,450

(Notes)

- The geographic segmentation is decided based on the degrees of following factors:  
geographic proximity, similarity of economic activities and relationship of business activities among regions.  
Operating income and operating expenses are presented as counterparts of sales and operating profit of companies in other industries.
- The Americas includes the United States, Brazil, Canada and others; Europe includes the United Kingdom, Germany and France and others; Asia and Oceania includes Hong Kong, Singapore, Australia and others except Japan.

Six months ended September 30, 2000 (Millions of yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	1,694,181	274,327	92,354	114,782	2,175,648	–	2,175,648
(2) Intersegment	109,539	47,467	30,451	32,822	220,284	(220,284)	–
Total	1,803,722	321,796	122,806	147,606	2,395,932	(220,284)	2,175,648
Operating expenses	1,550,298	193,815	124,121	127,482	1,995,720	(188,409)	1,807,310
Operating profit (loss)	253,422	127,980	(1,316)	20,123	400,211	(31,874)	368,336

(Note) Amounts shown in the above table are sum of those of the Sakura Bank and the Sumitomo Bank.

Year ended March 31, 2001 (Millions of yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	3,486,279	519,525	216,216	227,154	4,449,177	–	4,449,177
(2) Intersegment	228,458	165,411	80,440	78,968	553,281	(553,281)	–
Total	3,714,738	684,938	296,658	306,123	5,002,460	(553,281)	4,449,177
Operating expenses	3,362,588	508,916	304,425	270,890	4,446,823	(492,262)	3,954,560
Operating profit (loss)	352,149	176,020	(7,767)	35,231	555,636	(61,018)	494,617

(Note) Amounts shown in the above table are sum of those of the Sakura Bank and the Sumitomo Bank.

(3) Operating income from foreign operations

	Consolidated Operating Income from Foreign Operations (A)	Consolidated Operating Income (B)	(Millions of yen) (A) / (B)
Six months ended September 30, 2001	410,289	1,801,802	22.8 %
Six months ended September 30, 2000	481,464	2,175,648	22.1 %
Year ended March 31, 2001	962,898	4,449,177	21.6 %

(Notes)

1. The above table shows operating income from transactions of the Bank's overseas branches and transactions of overseas consolidated subsidiaries, excluding internal income.
2. The composition of this substantial volume of transactions is not broken down by counterparty, and therefore, data by region and country have not been included.
3. Amounts shown in the above table are sum of those of the Sakura Bank and the Sumitomo Bank for six months ended September 30, 2000 and year ended March 31, 2001.

## **VI. Products, Orders and Sales**

This information is not available because of the specialty of banking business.



## Market Value Information on Securities

### 1. Securities

#### (1) As of September 30, 2001

(Notes) 1. In addition to 'Securities' in consolidated balance sheet, negotiable certificates of deposit bought in 'Deposit with Banks', and commercial paper and beneficiary certificates of trust for loan receivables in 'Commercial paper and other debt purchased' are included in figures.

2. 'Stocks of subsidiaries and affiliates which have market value are included in (d).

#### (a) Bonds classified as held to maturity

As of September 30, 2001	(Millions of yen)				
	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	61,564	61,439	(124)	39	164
Japanese local government bonds	23,392	23,224	(168)	-	168
Japanese corporate bonds	-	-	-	-	-
Other	30,015	30,593	577	743	165
<b>Total</b>	<b>114,971</b>	<b>115,256</b>	<b>284</b>	<b>783</b>	<b>498</b>

(Notes)1. Market value is calculated by using market prices at the mid term end.

#### (b) *Other securities* which have market value

As of September 30, 2001	(Millions of yen)				
	Acquisition cost	Book value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	5,857,733	5,051,445	(806,287)	214,158	1,020,446
Bonds	10,207,072	10,289,102	82,029	91,936	9,906
Japanese government bonds	8,986,108	9,046,201	60,092	64,990	4,897
Japanese local government bonds	287,439	299,190	11,750	12,080	330
Japanese corporate bonds	933,524	943,710	10,186	14,865	4,678
Other	3,593,998	3,677,273	83,274	102,811	19,537
<b>Total</b>	<b>19,658,804</b>	<b>19,017,821</b>	<b>(640,983)</b>	<b>408,906</b>	<b>1,049,890</b>

(Note) Market value is calculated by using the average market price for one month before the mid term end as for stocks and using the market prices at the mid term end as for bonds and others.

#### (c) Securities which have no market value

As of September 30, 2001	(Millions of yen)
	Book value
<b>Bonds classified as held to maturity</b>	
Non-listed foreign securities	20,422
Other	35,226
<b><i>Other securities</i></b>	
Non-listed foreign securities	378,823
Non-listed bonds	573,781
Non-listed stocks (except OTC trading stocks)	211,742
Other	110,167

#### (d) Stocks of subsidiaries and affiliates which have market value (Nonconsolidated)

As of September 30, 2001	(Millions of yen)		
	Book value	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	104,186	106,236	2,050
Stocks of affiliates	8,785	10,297	1,512
<b>Total</b>	<b>112,971</b>	<b>116,534</b>	<b>3,562</b>

(Note) Market value is calculated by using market prices at the mid term end.

(2) As of September 30, 2000

- (Notes) 1. In addition to 'Securities' in consolidated balance sheet, negotiable certificates of deposit bought in 'Deposit with Banks', and commercial paper and beneficiary certificates of trust for loan receivables in 'Commercial paper and other debt purchased' are included in figures.  
2. 'Stocks of subsidiaries and affiliates which have market value' are included in (d).  
3. Amounts are sum of those of the Sakura Bank and the Sumitomo Bank.

(a) Bonds classified as held to maturity

As of September 30, 2000

	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	65	65	0	0	0
Japanese local government bonds	—	—	—	—	—
Japanese corporate bonds	49	49	0	0	—
Other	42,724	42,114	(609)	—	609
Total	42,839	42,229	(609)	0	610

(Notes) Market value is calculated by using market prices at the mid term end.

(b) Other securities which have market value

Market value of *other securities* that have market value is not reflected on consolidated financial statements as of September 30, 2000.

Summary information on *other securities* that have market value are shown in the following table:

As of September 30, 2000

(Millions of yen)

	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	6,307,229	6,878,815	571,585	1,323,237	751,651
Bonds	9,566,619	9,513,536	(53,082)	22,417	75,501
Japanese government bonds	8,305,238	8,244,507	(60,731)	7,366	68,097
Japanese local government bonds	316,153	318,896	2,743	6,074	3,330
Japanese corporate bonds	945,227	950,133	4,904	8,977	4,071
Other	1,702,894	1,838,657	135,764	181,426	45,662
Total	17,576,745	18,231,012	654,266	1,527,082	872,816

(Notes) Market value is calculated by using the average market price of one month before the mid term end as for stocks and using the market prices at the mid term end as for bonds and others.

(c) Securities which have no market value

As of September 30, 2000

(Millions of yen)

	Book value
Bonds classified as held to maturity	
Non-listed foreign securities	37,063
Other	—
Other securities	
Non-listed foreign securities	393,903
Non-listed bonds	604,655
Non-listed stocks (except OTC trading stocks)	205,428
Other	10,164

(d) Stocks of subsidiaries and affiliates which have market value (Nonconsolidated)

As of September 30, 2001

(Millions of yen)

	Book value	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	96,483	92,305	(4,178)
Stocks of affiliates	9,297	9,366	69
Total	105,780	101,672	(4,109)

(Note) Market value is calculated by using market prices at the mid term end.

(3) As of March 31, 2001

- (Notes) 1. In addition to 'Securities' in consolidated balance sheet, negotiable certificates of deposit bought in 'Deposit with Banks', and commercial paper and beneficiary certificates of trust for loan receivables in 'Commercial paper and other debt purchased' are included in figures.  
2. 'Stocks of subsidiaries and affiliates which have market value' are included in (d).  
3. Amounts are sum of those of the Sakura Bank and the Sumitomo Bank.

(a) Bonds classified as held to maturity

As of March 31, 2001	(Millions of yen)				
	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	14,409	14,412	2	2	0
Japanese local government bonds	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-
Other	18,451	18,367	(83)	46	130
<b>Total</b>	<b>32,860</b>	<b>32,780</b>	<b>(80)</b>	<b>49</b>	<b>130</b>

(Notes) Market value is calculated by using market prices at the fiscal year end.

(b) Other securities which have market value

Market value of *other securities* that have market value is not reflected on consolidated financial statements as of March 31, 2001.

Summary information on *other securities* that have market value are shown in the following table:

As of March 31, 2001	(Millions of yen)				
	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	6,520,471	6,002,746	(517,725)	305,917	823,643
Bonds	16,636,207	16,744,058	107,850	113,651	5,799
Japanese government bonds	15,580,035	15,661,487	81,451	86,457	5,004
Japanese local government bonds	276,821	288,283	11,460	11,464	3
Japanese corporate bonds	779,349	794,287	14,937	15,728	791
Other	2,298,189	2,406,957	108,768	138,680	29,912
<b>Total</b>	<b>25,454,869</b>	<b>25,153,762</b>	<b>(301,106)</b>	<b>558,251</b>	<b>859,357</b>

(Notes) Market value is calculated by using the average market price for one month before the fiscal year end as for stocks and using the market prices at the fiscal year end as for bonds and others.

(c) Securities which have no market value

As of March 31, 2001	(Millions of yen)
	Book value
Bonds classified as held to maturity	
Non-listed foreign securities	38,257
Other	5,091
Other securities	
Non-listed foreign securities	731,769
Non-listed bonds	541,897
Non-listed stocks (except OTC trading stocks)	229,732
Other	224,483

(d) Stocks of subsidiaries and affiliates which have market value (Nonconsolidated)

As of March 31, 2001	(Millions of yen)		
	Book value	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	101,763	99,174	(2,588)
Stocks of affiliates	8,800	9,287	486
<b>Total</b>	<b>110,563</b>	<b>108,461</b>	<b>(2,101)</b>

(Note) Market value is calculated by using market prices at the fiscal year end.

## 2. Money Held in Trust

### (1) As of September 30, 2001

#### (a) Money held in trust classified as held to maturity

There is no corresponding transaction.

#### (b) Other money held in trust (Money held in trust which are classified as except for trading and held to maturity)

As of September 30, 2001	(Millions of yen)				
	Acquisition cost	Book value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	64,173	60,155	(4,017)	278	4,296

(Notes) Market value is calculated by using market prices at the mid term end.

### (2) As of September 30, 2000

#### (a) Money held in trust classified as held to maturity

There is no corresponding transaction.

#### (b) Other money held in trust (Money held in trust which are classified as except for trading and held to maturity)

Market value of *other money held in trust* that have market value is not reflected on consolidated financial statements as of September 30, 2000.

As of September 30, 2001	(Millions of yen)				
	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	106,188	103,734	(2,453)	1,403	3,857

(Notes) 1. Market value is calculated by using market prices at the mid term end.  
2. Amounts are sum of those of the Sakura Bank and the Sumitomo Bank.

### (3) As of March 31, 2001

#### (a) Money held in trust classified as held to maturity

There is no corresponding transaction.

#### (b) Other money held in trust (Money held in trust which are classified as except for trading and held to maturity)

Market value of *other money held in trust* that have market value is not reflected on consolidated financial statements as of September 30, 2000.

As of September 30, 2001	(Millions of yen)				
	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	72,652	69,012	(3,640)	811	4,451

(Notes) 1. Market value is calculated by using market prices at the mid term end.  
2. Amounts are sum of those of the Sakura Bank and the Sumitomo Bank.

### 3. Net Unrealized Gains (Losses) on *Other Securities*

#### (1) As of September 30, 2001

Net unrealized gains (losses) on *other securities* that is reported on the consolidated balance sheet is shown as follows:

As of September 30, 2001	(Millions of yen)
Net unrealized gains	(644,972)
Other securities	(640,955)
Other money held in trust	(4,017)
(+) Deferred tax assets	246,909
Net unrealized gains (losses) on <i>other securities</i> (before adjustment)	(398,063)
(-) Minority interests	(3,517)
(+) Parent company's share in net unrealized gains (losses) on <i>other securities</i> held by affiliates accounted for by the equity method	(273)
Net unrealized gains (losses) on <i>other securities</i>	(394,819)

(Note) Net unrealized gains (losses) included foreign currency translation adjustments on non-marketable securities denominated in foreign currency.

#### (2) As of September 30, 2000

If *other securities* and other money held in trust were evaluated by market value, net unrealized gains (losses) on *other securities* would be shown on the following table:

As of September 30, 2000	(Millions of yen)
Net unrealized gains	651,812
Other securities	654,266
Other money held in trust	(2,453)
(-) Deferred tax liabilities	253,421
Net unrealized gains (losses) on <i>other securities</i> (before adjustment)	398,390
(-) Minority interests	300
(+) Parent company's share in net unrealized gains (losses) on <i>other securities</i> held by affiliates accounted for by the equity method	3,101
Net unrealized gains (losses) on <i>other securities</i>	401,192

(Note) Amounts are sum of those of the Sakura Bank and the Sumitomo Bank.

#### (3) As of March 31, 2001

If *other securities* and other money held in trust were evaluated by market value, net unrealized gains (losses) on *other securities* would be shown on the following table:

As of March 31, 2001	(Millions of yen)
Net unrealized gains	(304,746)
Other securities	(301,106)
Other money held in trust	(3,640)
(+) Deferred tax assets	119,760
Net unrealized gains (losses) on <i>other securities</i> (before adjustment)	(184,987)
(-) Minority interests	(460)
(+) Parent company's share in net unrealized gains (losses) on <i>other securities</i> held by affiliates accounted for by the equity method	(29)
Net unrealized gains (losses) on <i>other securities</i>	(184,556)

(Note) Amounts are sum of those of the Sakura Bank and the Sumitomo Bank.

## Market Value Information on Derivative Transactions

### 1. As of September 30, 2001

#### (1) Interest Rate Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Transactions listed on exchange			
Interest rate futures	15,784,133	12,301	12,301
Interest rate options	2,071,050	(74)	(74)
Over-the-counter transactions			
Forward rate agreement	10,511,217	(409)	(409)
Interest rate swaps	225,489,844	38,406	38,406
Swaptions	2,354,919	(6,084)	(6,084)
Caps	8,653,370	2,877	2,877
Floors	1,115,479	4,701	4,701
Other	402,087	(3,620)	(3,620)
Total		48,096	48,096

(Note) The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method is applied are not included in the figures above.

Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gains of them amount to 2,544 million yen.

#### (2) Currency Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Over-the-counter transactions			
Currency swaps	25,097,961	(49,795)	(49,795)
Forward foreign exchange	961,549	(13,461)	(13,461)
Currency options	92,163	207	207
Total		(63,049)	(63,049)

(Note) The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method is applied are not included in the figures above.

Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gains of them amount to 708 million yen.

Forward foreign exchange and currency options which meet the followings are not included in the figures above.

- 1) which are revaluated at mid term end and the revaluated gains (losses) is accounted for in the consolidated statement of income.
- 2) which were allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheet.
- 3) which were allotted to financial assets/liabilities by foreign currency and the financial assets/liabilities which are allotted to are eliminated in the process of consolidation.

The contract amount of currency derivatives which are revaluated at the consolidated balance sheet date are as follows:

As of September 30, 2001	(Millions of yen)
	Contract amount
Transactions listed on exchange	
Currency futures	-
Currency options	-
Over-the-counter transactions	
Forward foreign exchange	46,447,828
Currency options	5,587,019

(3) Stock Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Transactions listed on exchange			
Stock price index futures	17,038	7	7
Stock price index options	-	-	-
Over-the-counter transactions			
Equity options	-	-	-
Stock price index swaps	14,827	503	503
Other	143,751	(917)	(917)
Total		(406)	(406)

(Note) The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method is applied are not included in the figures above.

(4) Bond Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Transactions listed on exchange			
Bond futures	61,742	(36)	(36)
Bond futures options	8,400	24	24
Over-the-counter transactions			
Bond options	47,117	43	43
Total		31	31

(Note) The above transactions are revaluated at market value and the revaluated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method is applied are not included in the figures above.

(5) Commodity Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Over-the-counter transactions			
Commodity options	10,338	43	43
Total		43	43

(Notes) 1. The above transactions are revaluated at market value and the revaluated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method is applied are not included in the figures above.

2. Commodity options are concerned with oil.

(6) Credit Derivative Transactions

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Over-the-counter transactions			
Credit default options	97,556	92	92
Other	230,325	(4,940)	(4,940)
Total		(4,848)	(4,848)

(Note) The above transactions are revaluated at market value and the revaluated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method is applied are not included in the figures above.

## 2. As of September 30, 2000

(Note) Amounts are sum of those of the Sakura Bank and the Sumitomo Bank.

### (1) Interest Rate Derivatives

As of September 30, 2000	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Transactions listed on exchange			
Interest rate futures	16,921,279	(2,534)	(2,534)
Interest rate options	4,805,529	(583)	(182)
Over-the-counter transactions			
Forward rate agreement	14,458,292	19	19
Interest rate swaps	211,492,561	39,181	39,181
Other	23,727,747	(754)	18,044
Total		35,328	54,529

(Notes)

- The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method was applied are not included in the figures above.
- Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gains amount to 1,189 million yen.
- Other in Over-the-counter transactions includes cap, floor and swaption transactions.

### (2) Currency Derivatives

As of September 30, 2000	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Over-the-counter transactions			
Currency swaps	14,254,228	(65,060)	(65,060)
Forward foreign exchange	1,182,680	7,592	7,592
Currency options	43,740	(818)	(818)
Total		(58,286)	(58,286)

(Notes)

- The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
The derivative transactions to which hedge accounting method was applied and the transactions shown in Notes 2 are not included in the figures above.  
Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gains amount to 468 million yen.
- The currency swap transactions whose profit and loss are recognized on an accrual basis in pursuant to 'Temporary treatment of auditing on continuous adoption of the accounting standards for foreign currency transactions in banking industry' (issued by JICPA on April 10, 2000) are not included in the figures above.

The currency swap transactions whose profit and loss are recognized on an accrual basis is shown as follows:

As of September 30, 2000	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Currency swaps	2,643,652	(77,418)	(77,418)

Forward foreign exchange and currency options which meet the followings are not included in the figures above.

- which are revaluated at mid term end and the revaluated gains (losses) is accounted for in the interim consolidated statements of income.
- which were allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheet.
- which were allotted to financial assets/liabilities by foreign currency and the financial assets/liabilities which are allotted to are eliminated in the process of consolidation.



The contract amount of currency derivatives which are revaluated at the consolidated balance sheet date are as follows:

As of September 30, 2000	(Millions of yen)
	Contract amount
Transactions listed on exchange	
Currency futures	365
Currency options	950
Over-the-counter transactions	
Forward foreign exchange	56,889,446
Currency options	3,590,626

(3) Stock Derivatives

As of September 30, 2000	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Transactions listed on exchange			
Stock price index futures	57,426	3,290	3,290
Stock price index options	-	-	-
Over-the-counter transactions			
Equity options	-	-	-
Stock price index swaps	993,207	(12,193)	(12,193)
Other	218,453	(4,937)	4,228
Total		(13,839)	(4,674)

(Note) The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.

Derivative transactions to which hedge accounting method was applied are not included in the figures above.

(4) Bond Derivatives

As of September 30, 2000	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Transactions listed on exchange			
Bond futures	366,834	1,045	1,045
Bond futures options	67,261	87	97
Over-the-counter transactions			
Bond options	286,688	17	3
Total		1,151	1,146

(Note) The above transactions are valued at market value and the revaluated gains (losses) are accounted for in the consolidated statement of income.

Derivative transactions to which hedge accounting method was applied are not included in the figures above.

(5) Commodity Derivatives

There are no corresponding items.

(6) Credit Derivative Transactions

As of September 30, 2000	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Over-the-counter transactions			
Credit default options	-	-	-
Other	154,467	7,003	7,003
		7,003	7,003

(Note) The above transactions are valued at market value and the revaluated gains (losses) are accounted for in the consolidated statement of income.

Derivative transactions to which hedge accounting method was applied are not included in the figures above.

### 3. As of March 31, 2001

(Note) Amounts are sum of those of the Sakura Bank and the Sumitomo Bank.

#### (1) Interest Rate Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
<b>Transactions listed on exchange</b>				
Interest rate futures				
sold	1,161,100	17,858	(868)	(868)
bought	5,960,228	485,657	11,142	11,142
Interest rate options				
sold	2,278,661	-	(835)	645
bought	732,009	-	525	264
<b>Over-the-counter transactions</b>				
Forward rate agreements				
sold	7,924,231	10,000	(305)	(305)
bought	3,407,144	-	(748)	(748)
Interest rate swaps				
Receivable fixed rate/Payable floating rate	221,582,144	134,555,715	(105,025)	(105,025)
Receivable floating rate/Payable fixed rate	108,177,568	65,259,340	2,329,758	2,329,758
Receivable floating rate/Payable floating rate	105,439,833	64,638,603	(2,418,255)	(2,418,255)
Receivable floating rate/Payable floating rate	7,325,660	4,129,367	(19,168)	(19,168)
Other				
sold	7,059,896	5,732,536	(42,559)	(25,693)
bought	5,303,770	4,291,764	44,741	35,874
Total			(93,933)	(84,714)

(Notes)

- The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method is applied are not included in the amounts above.  
Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards.  
Such transactions are not included in the figures above, and the net unrealized gain of them amounts to 2,848 million yen.
- Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo International Financial Futures Exchange and others.  
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.
- Other in Over-the-counter transactions includes cap, floor and swaption transactions.

#### (2) Currency Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
<b>Over-the-counter transactions</b>				
Currency swaps				
Currency swaps	14,883,848	7,977,865	(67,799)	(67,799)
Forward foreign exchange				
Forward foreign exchange	787,136	187,702	(13,451)	(13,451)
Currency options				
sold	19,804	6,453	(1,583)	(1,583)
bought	22,702	5,554	1,466	1,466
Total			(81,368)	(81,368)

(Notes)

- The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
The derivative transactions to which hedge accounting method is applied and the transactions shown in Notes 3 are not included in the figures above.  
Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards.  
Such transactions are not included in the figures above, and the net unrealized gain of them amounts to 650 million yen.
- Market value is calculated mainly using discounted present value.

3. The currency swap transactions whose profit and loss are recognized on an accrual basis in pursuant to ‘Temporary treatment of auditing on continuous adoption of the accounting standards for foreign currency transactions in banking industry’ (issued by JICPA on April 10, 2000) are not included in the figures above.

The currency swap transactions whose profit and loss are recognized on an accrual basis is shown as follows:

As of March 31, 2001	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Currency swaps	1,833,414	(69,269)	(69,269)

Forward foreign exchange and currency options which are of the following types are not included in the figures above:

- 1) Those that are revaluated at year end and the revaluated gain (loss) is accounted for in the consolidated statement of income.
- 2) Those that were allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheet.
- 3) Those that were allotted to financial assets/liabilities by foreign currency and the financial assets/liabilities are eliminated in the process of consolidation.

The contract amount of currency derivatives which are revaluated at the consolidated balance sheet date are as follows:

As of March 31, 2001	(Millions of yen)
	Contract amount
Transactions listed on exchange	
Currency futures	
sold	-
bought	-
Currency options	
sold	-
bought	-
Over-the-counter transactions	
Forward foreign exchange	58,124,028
Currency options	
sold	2,571,941
bought	2,295,924

(3) Stock Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Transactions listed on exchange				
Stock price index futures				
sold	3,039	-	137	137
bought	-	-	-	-
Stock price index options				
sold	-	-	-	-
bought	-	-	-	-
Over-the-counter transactions				
Equity options				
sold	-	-	-	-
bought	-	-	-	-
Stock price index swaps	45,202	16,039	(805)	(805)
Other				
sold	79,457	61,219	10,685	10,685
bought	34,947	-	(1,072)	(1,072)
Total			8,944	8,944

(Notes)

1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange.  
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

(4) Bond Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Transactions listed on exchange				
Bond futures				
sold	2,188	2,000	2	2
bought	23,066	-	112	112
Bond futures options				
sold	-	-	-	-
bought	-	-	-	-
Over-the-counter transactions				
Bond options				
sold	21,981	19,850	0	0
bought	25,457	18,562	0	0
Total			114	114

(Notes)

1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange.  
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

(5) Commodity Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Over-the-counter transactions				
Commodity options				
sold	2,707	2,707	56	56
bought	2,707	2,707	(4)	(4)
Total			51	51

(Notes)

1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
2. Market value is calculated based on factors such as price of the relevant commodity and contract term.

(6) Credit Derivative Transactions

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Over-the-counter transactions				
Credit default options				
sold	42,389	33,782	(366)	(366)
bought	55,966	43,746	465	465
Other				
sold	32,816	14,500	(8,280)	(8,280)
bought	63,089	58,978	7,340	7,340
Total			(840)	(840)

(Notes)

1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
2. Market value is calculated based on factors such as price of the relevant commodity and contract term.
3. 'Sold' are transactions in which the Bank accepts the credit risk, 'Bought' are transactions in which the Bank transfers the credit risk.